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SUBJECT: MEDIA REACTION: PRESIDENT CHEN SHUI-BIAN'S NEW YEAR
SPEECH

1. Summary: Major Chinese-language Taiwan dailies focused their coverage January 2-3 on two issues: President Chen Shui-bian's New Year speech, and the U.S. arms procurement bill. President Chen Shui-bian said Sunday in his New Year speech that his administration would adopt a new policy, "Proactive Management, Effective Liberalization," to deal with future cross-Strait economic and trade issues. Chen also said he looks forward to a civilian-drafted bill for "Taiwan's New Constitution" in 2006, adding that he hopes that the bill could be passed by 2007. The second issue in the news is that KMT Legislator John Chiang revealed Monday in the Legislative Yuan that AIT Director Douglas Paal told him that the items and prices of U.S. arms to be procured by Taiwan are adjustable, depending on Taiwan's own needs.

2. In terms of Chinese- and English-language newspaper editorials, the most scrutinized news development was President Chen Shui-bian's New Year speech. Every Taiwan daily followed their individual, traditional pro-independence or pro-unification stance when commenting on the speech. The pro-independence dailies, "Liberty Times," "Taiwan Daily," "Taiwan News," and "Taipei Times," applauded President Chen's speech and said they hoped that Chen could carry out the goals outlined in the speech. "Liberty Times" said President Chen needs to take actual action in pursuit of the goals set by him. "Taiwan Daily" urged Chen not to hesitate when carrying out the goals set forth in his speech. The English-language "Taiwan News" editorialized that Chen has finally found the clear role and goals of the DPP government. The English-language, "Taipei Times" applauded President Chen for the aggressive stance he will take to deal with old problems.

3. The pro-unification "United Daily News" criticized President Chen for using Taiwan's future as the last bet for his presidency and the independence movement. The pro-unification, English-language, "China Post" commented that Chen's speech declared war on China and domestic political parties.

4. The centrist, pro-status quo "China Times" said President Chen's closed-door policy has been proven to be the wrong policy and will not benefit Taiwan in the future. Another op-ed piece in "China Times" said President Chen's unwillingness to seek domestic reconciliation and to improve relations with China will leave Taiwan spinning futilely.
End summary.

A) "Anticipating President Chen to Take Actual Actions under Correct Directions"

The pro-independence "Liberty Times" [circulation: 600,000] noted in its editorial (1/2):

". Regarding the so-called civilian version of a draft of a 'new Taiwan constitution,' the so-called 'referendum on a new constitution,' the earlier proposals for [Taiwan] name rectification and a new constitution, and a variety of reforms, the public, in fact, have never pressed the government to complete them in a timely manner. They only hope that the government will spare no effort to reach these goals. If President Chen is dedicated to it, [we] believe the people will be happy to see him be successful. The key lies in that if one wants to pursue these goals, he cannot take the route of promoting economic affairs and political affairs in the opposite direction [economic dependence on China and political independence from China]. President Chen's term will end in more than two years. It is not a short time. As long as there is a will, there is a way. From now on, let's wait and see President Chen's actions."

B) "2008 New Constitution is the Key to Taiwan's Fate, and We Should Fortify Internal and External Communications to Facilitate Constitutional Reforms"

The pro-independence, limited circulated "Taiwan Daily" [circulation: 30,000] editorialized (01/03):

". We hope that the President does what he says without any more hesitation, so that Taiwan's new constitution can be put to a referendum during his term. This will be Chen's

historical move to answer to Taiwan's history, and to have hope for Taiwan's future. ."

C) "Chen Finally Finds Strategic Clarity"

The pro-independence "Taiwan News" [circulation: 20,000] editorialized (01/03):

"The most important message conveyed by President Chen Shui-bian in his 'Democratic Taiwan: Thriving Onward' New Year's Day message is that his Democratic Progressive Party administration has finally attained a degree of strategic clarity about the role and goals of the DPP government and how to get the needed popular support to achieve at least some of its goals.

". Chen also specifically declared that it was essential for the DPP government to 'stand on the side of the people' and 'link with social forces' to promote realization of the repossession of ill-gotten KMT party assets, the passage of the long-delayed defensive arms procurement bill and other political, social and economic reforms obstructed by the conservative pan-Blue legislative majority.

". We can see genuine evidence that Chen has engaged in 'self-examination' regarding the reasons for the DPP's recent electoral setbacks. The main shortcoming of the DPP government during the past five and a half years has been its reluctance or lack of confidence in promoting a new philosophy of governance based on the values of the 'Taiwan democratic road,' namely democracy, freedom, human rights, peace, social justice and environmental sustainability. ."

D) "The Grim Road Ahead"

The pro-independence, English language "Taipei Times" [circulation: 30,000] editorialized (01/03)

"President Chen Shui-bian's New Year message was different from his previous speeches that pretended everything was going well.

"This time, he adopted a more aggressive attitude in dealing with problems that have plagued the government since 2000.

"Commentators say that since the Democratic Progressive Party (DPP) took power, the party has been living in a dream world in which "reconciliation" with the opposition is possible. This led the government to support a policy of 'active opening, effective management' over China and 'reconciliation and coexistence' with the opposition. But Chen has finally realized that what the opposition really wants is the power to rule. .

". Although Chen placed considerable emphasis on the importance of clean government, he retains a number of people of dubious character around him and failed to satisfactorily address the question of Presidential Office staff playing the stock market during office hours.

"His promise to establish a government ethics and anti-corruption office under the Ministry of Justice, however, is simply adding to the already formidable bureaucracy. If this office is to be established, it should be directly under the Presidential Office. Regardless, the sheer volume of talk and the absence of action on government and other corruption have been acutely disappointing.

"A number of Chen's idealistic proposals, such as a referendum on a new constitution, are likely to sustain confrontation between the government and the legislature. But without any clear strategy to have these items appeal to lawmakers, it is likely that 2006 will be yet another year of gridlock, stalling and impotent speeches."

E) "The World Sees a Chen Shui-bian Who Drinks Poison to Heal His Wound! And an Exasperated and Ferocious War Proclamation"

The pro-unification "United Daily News" [circulation: 400,000] editorialized (1/2):

"Chen Shui-bian's New Year remarks can be seen as an all-out proclamation of war against [our] national identity, the Republic of China Constitution, mainland China and the opposition camp.

"The whole speech indicates that, after nearly one month of deliberations since the DPP's major defeat in the three-in-one elections, Chen Shui-bian has chosen an even tougher and more radical route as the one last bet for his own political life and the Taiwan independence movement. .

". We must say that such a 'general route' like this is a bold gamble by Chen Shui-bian and the Taiwan independence movement. Taiwan or the Republic of China must consider

whether it wants to be used by Chen Shui-bian and the Taiwan independence movement as their last single bet. The people can tell from the remarks, which were filled with bigotry and autocracy, that Chen Shui-bian has not really reflected on the reasons for his government's failure, and that he has selected the wrong strategy to re-create vitality for himself and the DPP. ."

F) "Declaration of `War' on Dtente"

The pro-unification, English-language "China Post" [circulation: 30,000] editorialized (01/02)

"President Chen Shui-bian has done it again.

"In a New Year's Day address, Chen declared war yesterday on dtente between Taiwan and China as well as the budding reconciliation between his ruling Democratic Progressive Party and the opposition Kuomintang. He surprised practically everybody, who had been led to believe -- the President had warned he was going to make a crucial policy speech much more important than either of his two inaugural addresses -- that he would offer another olive branch to China following the election debacle his party suffered on Dec. 3.

". Why President Chen did not even try to offer some platitudes to placate the people looking forward to a morale-boosting speech on the first day of the year is beyond our comprehension. He remains just as combative as he used to be. But everybody knows he often does not to say what he means. We hope he was his usual self when he spoke before the nation yesterday."

G) "How Long Can One Close the Door and Act Like an Emperor?"

The centrist, pro-status quo "China Times" [circulation: 400,000] editorialized (01/03):

"If President Chen really wants to promote peaceful development across the Strait, the most important thing is to restore gradually his credibility [in the eyes of] the [Taiwan] people and foreign political figures. If people cannot find consistent information in the President's announcements and speeches over the past years, the people would feel that they have lost a trustworthy national leader even though President Chen still thinks he holds power (and is not a lame duck).

". President Chen should understand that trends relating to cross-Strait economic and trade relations are not dominated either by political figures, or by think-tank consultants, but by `the market.' . [Former President] Lee Teng-hui suggested the `Go Slow, Be Patient' policy, but he could not stop Taiwan industries from moving to China. President Chen suggested the `Effective Management' policy, but he also cannot stop entrepreneurs from taking other indirect routes to China. .

"President Chen's New Year speech is on the dark green side of the spectrum, but one might not have a strong feeling from the angle of politics. The interpretation from Industry, however, is quite pessimistic, as is evident in the drop of 86.28 points in Taiwan Stock Market Exchange yesterday. ."

H) "[Let's] Continue to Spin Futilely and Fight Among Ourselves For Another Two Years"

The centrist, pro-status quo "China Times" [circulation: 400,000] editorialized (01/03):

"Not surprisingly, President Chen Shui-bian officially realized his promise in his New Year address, the promise made prior to the "3-in-1" elections, to tighten cross-Strait relations if the pan-Blue camp won a landslide victory. All the optimistic speculations foreign investors and legal entities made before the elections are now proven to be completely self-indulgent. Plus President Chen directly criticized the opposition parties several times to [KMT Chairman] Ma Ying-jeou's face. Everything points toward the same direction: President Chen, for quite some time to come, no longer seems to seek cross-party reconciliation or a keen improvement in cross-Strait relations. This kind of statement [i.e. the New Year speech] can probably entail only one conclusion: Everything will continue to spin futilely. ."

PAAL